

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF REVIEWING THE)	
ADMINISTRATOR'S 2002 ANNUAL REPORT)	CASE NO. GNR-T-03-14
AND ESTABLISHING THE FUNDING LEVELS)	
TO SUPPORT THE TELECOMMUNICATIONS)	
RELAY SERVICE (TRS) PROGRAM.)	ORDER NO. 29220
)	

On February 11, 2003, Idaho's Telecommunications Relay Service (TRS) Administrator submitted his calendar year 2002 Annual Report to the Commission. "The TRS program allows citizens who are hearing and speech impaired to engage in telephone communications in a manner functionally equivalent to that of individuals without hearing or speech impairments." *Idaho Code* § 61-1301. Pursuant to TRS Rules 202 and 205, the Commission reviews the Administrator's Annual Report and determines the appropriate funding levels necessary to meet the program's expenses on a prospective basis. IDAPA 31.46.02.202 and .205. In this Order, we accept the Administrator's 2002 Report and continue TRS funding at existing levels.

THE 2002 ANNUAL REPORT

The Administrator reported that the relay center handled 520,741 minutes of traffic in calendar year 2002. This represents almost no change from calendar year 2001. The relay center, operated by Hamilton Telecommunications, converts or "relays" oral conversations to text-type and vice versa. The relay center also provides speech-to-speech and Spanish-to-Spanish relay services. Disbursements from the TRS fund to Hamilton in 2002 (\$554,296) were virtually unchanged from 2001 (\$550,900). In-state relay traffic is reimbursed by Idaho's TRS fund while National Exchange Carrier Association (NECA) reimburses Hamilton for interstate calls that are placed via the relay service.

1. Expenses. TRS expenses for 2002 total \$588,741. The Administrator reported that disbursements to Hamilton were \$554,296. The administrative fees and expenses for the reporting year were \$34,445.

2. 2002 Revenues and Allocations. During 2002, the total number of telephone access lines reported to the TRS Administrator were approximately 771,758, which is nearly the

same as calendar year 2001. This number of access lines does not include connections for paging or wireless phone services. The number of intrastate toll minutes (after late-filed true-ups) for 2002 totaled approximately 293,460,000 minutes. This represents a decrease in the total number of intrastate access minutes of approximately 22% from calendar year 2001. These reported minutes mirror the data reported to the Universal Service Fund (USF) Administrator, which uses similar methods of reporting. In addition, the Commission Staff found steady decreases in reported intrastate toll minutes over the past two years from each of the several companies it reviewed.

The table below shows 2002 TRS contribution sources and amounts.

<u>2002 Revenue Sources</u>	<u>Amount</u>	<u>Percentage of Total</u>
Local Service Providers (\$0.04/month/line)	\$346,237	65%
MTS/WATS Providers (\$0.0007/min)	182,546	35%
Interest Earned on Funds	<u>450</u>	
TOTAL	\$529,233	<u>100%</u>

The 2002 year-end balance of the TRS fund was \$189,699. The current balance of the TRS fund (as of March 4, 2003) was \$205,738. This amount approximates a four-month reserve for the fund that collects from many accounts on a quarterly basis.

3. Proposed 2003 Budget. The Administrator projected an annual operating budget for 2003 of \$613,690. While not expecting an increase in relay usage, the Administrator's budget includes an estimated 4% increase in disbursements in the event of unexpected expenses related to next year's contract review with Hamilton. The proposed 2003 budget also includes approximately \$3,500 estimated expense for an independent audit of the TRS fund for 2002.

4. Proposed TRS Funding Levels. Based upon the proposed budget for 2003, the Administrator recommended that the TRS contributions from local service (currently \$0.04 per month per access line) remain the same. He also recommended that the contribution from MTS/WATS services (currently \$0.0007/minute) for intrastate traffic remain the same. The Administrator estimated that continuing the existing contribution amounts would generate about \$578,500 in revenues. He estimated that this amount, coupled with the projected fund balance, will be sufficient to fund the 2003 budget. Although use of the relay system appears to be

holding steady and revenues from intrastate toll minutes appear to be decreasing, the Administrator recommended the existing contribution levels remain the same.

Following its review of the Administrator's Annual Report, the Staff recommended that the Commission adopt the Report and the Administrator's budget for 2003. Staff also concurred with the Administrator's recommendation that existing funding levels be continued but to monitor the fund balance during the year and recommend adjustments if a demonstrated need arises.

DISCUSSION

In this Order, we formally adopt the Administrator's 2002 Annual Report. Following our review of the Report, we find that the 2002 expenses are reasonable. Idaho citizens continue to be well served by the Administrator and the relay services provided by Hamilton Telecommunications.

The Commission further finds that the 2003 budget projection of \$613,690 is reasonable based on the anticipated expenses of the TRS program. The Commission finds that the 2003 budget is reasonable given the estimated usage of the TRS relay center will remain about the same. The Commission further finds that the projected revenue together with the current fund balance should be sufficient to meet 2003 expenses.

Based upon our review of the report and the Staff's recommendations, we further find that it is just and reasonable to continue the TRS contributions at their current funding levels: \$.04 per access line per month; and \$.0007 per minute per intrastate MTS/WATS calls. The Commission further finds that the projected 2003 allocation between local service and toll service (64% and 36%, respectively) is just and reasonable given the estimates in the number of access lines and toll minutes.

ORDER

IT IS HEREBY ORDERED that the TRS funding obligation of telephone corporations providing local service in Idaho be continued without change at the existing level of \$.04 per month per access line.

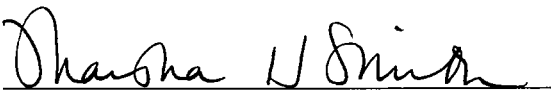
IT IS FURTHER ORDERED that the TRS funding obligation for telephone corporations providing intrastate MTS/WATS service be continued at its existing level of \$.0007 per intrastate billed minute.

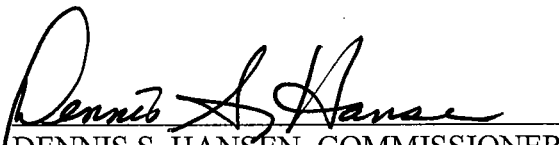
IT IS FURTHER ORDERED that the TRS Administrator continue to monitor expenditures and revenues. At such time as he believes that revenues will not cover expenditures, he is to immediately notify the Commission so that we may evaluate whether changes in the existing TRS funding obligations are necessary.

THIS IS A FINAL ORDER. Any person interested in this Order (or in issues finally decided by this Order) or in interlocutory Orders previously issued in this Case No. GNR-T-03-14 may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in this Order or in interlocutory Orders previously issued in this Case No. GNR-T-03-14. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

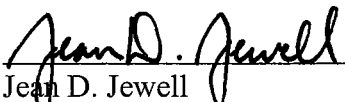
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 9th day of April 2003.


PAUL KJELLANDER, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


DENNIS S. HANSEN, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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